

Message Text

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PAGE 01 GENEVA 05928 250833Z
ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /126 W
-----046934 250836Z /11

P 181552Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8601
INFO AMEMBASSY OTTAWA

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USMTN
ACTION STR PASS ELECTRICALLY
STR PASS CODEL

E.O.11652:N/A
TAGS: MTN, CA, ETRD
SUBJECT: U.S.-CANADIAN TARIFF BILATERAL - CHEMICALS

1. SUMMARY. U.S. MTN DEL (HAMERSCHLAG ET AL) MET WITH CANADIAN MTN DEL (DENIS ET AL) FOR THE FIRST OF A SERIES OF DETAILED SESSIONS ON VARIOUS PARTS OF EACH OTHER'S OFFERS. U.S. NOTED THAT CANADIAN CHEMICALS TARIFF OFFER WAS IN-ADEQUATE, AND THAT REQUESTS FOR IMPROVEMENTS WOULD BE SUBMITTED SHORTLY. THE CANADIANS PROVIDED TRADE DATA ON THE NUMEROUS EX-OUTS IN THEIR TARIFF OFFER (BEING HAND-CARRIED BY HAMERSCHLAG), BUT A PRELIMINARY EXAMINATION OF THIS DATA SUGGESTS FURTHER REVISIONS MAY BE IN ORDER. END SUMMARY.

2. U.S. MTN DEL PROCEEDED THROUGH NUMEROUS QUESTIONS GENERATED BY MULTIPLE CANADIAN EX-OUTS BY END USE, QUEER
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NOMENCLATURE ("OTHER THAN THE FOLLOWING" REALLY MEANS "NOT ELSEWHERE SPECIFIED;" "FOR USE IN CANADIAN MANUFACTURES" REALLY MEANS "NOT FOR RETAIL USE"), AND DOUBLE BASE RATES. THE CANADIANS WERE SYMPATHETIC AND HELPFUL AND PROVIDED EXPLANATIONS AND TRADE DATA. THEY WERE WILLING TO LISTEN TO SUGGESTIONS FOR IMPROVING OR SIMPLIFYING THEIR OFFER. IT WAS WELL-RECOGNIZED, HOWEVER, THAT THE REAL SOURCE OF

CONFUSION IS THE OBSOLETE NOMENCLATURE AND THE CANADIAN
PREDILECTION FOR TINKERING WITH THEIR TARIFF SCHEDULE.

3. WE NOTED THAT THE CANADIAN CHEMICALS TARIFF OFFER HAS
LITTLE REAL VALUE TO THE U.S., CONSISTING LARGELY OF MINOR
RATE REDUCTIONS AND BINDINGS OF APPLIED FREE RATES.
REDUCTIONS WERE PARTICULARLY DISAPPOINTING IN THOSE
PRODUCTS LIKE PAINTS AND PLASTICS WHICH ARE MORE HIGHLY
PROCESSED. WE NOTED REQUESTS FOR IMPROVEMENTS WOULD SOON
BE FORTHCOMING. DENIS MADE NO MORE THAN A PERFUNCTORY
DEFENSE. (COMMENT: PRIVATELY THE CANADIANS HAVE ACKNOW-
LEDGED THAT THEIR CHEMICALS OFFER IS INADEQUATE. WE THINK
THAT WHEN THEIR OFFER WAS BEING PREPARED THE GOC DID NOT
ANTICIPATE THAT THE U.S. WOULD HAVE BEEN AS RESPONSIVE AS
WE WERE TO THEIR INDICATIVE LISTS. END COMMENT.)

4. WE RAISED THE ISSUE OF THE HIGH DUTY AND VALUATION
PROBLEMS WITH WALL PAPER SAMPLE BOOKS AND PAINT CHIP
CARDS, WHICH RESULT IN NEARLY PROHIBITIVE CHARGES ON SUCH
ARTICLES VITAL TO THE RETAIL SALE OF PAINTS AND WALL
PAPER. AGAIN, THE CANADIANS WERE SYMPATHETIC, GORE NOTING
AT ONE POINT HIS RECOLLECTION THAT WALL PAPER SAMPLE BOOKS
WERE ONCE CLASSIFIED IN HEADINGS OTHER THAN ADVERTISING
MATERIAL AT A LOWER DUTY. FYI. IN FOLLOW-UP CONVERSATION
GORE NOTED THAT A WALL PAPER SAMPLE BOOK WITHOUT PRINTING
MIGHT BE CLASSIFIED AS "MANUFACTURES OF PAPER" AT 17.5
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PERCENT INSTEAD OF AS ADVERTISING MATERIAL AT 25 PERCENT.
END FYI.

5. ONLY CANADIAN COMMENT OF SUBSTANCE WAS A QUESTION BY
DENIS AS TO WHETHER THE U.S. AND CANADA SHOULD EXCHANGE
THEIR REQUESTS FOR IMPROVEMENTS MADE TO OTHER MTN
PARTICIPANTS. AS PREVIOUSLY REPORTED, THE CANADIANS HAVE
A STRONG ATTACHMENT FOR A JOINT STRATEGY ON ITEMS OF COMMON
EXPORT INTEREST.

6. DRAFTED BY MALISH. CULBERT

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: TARIFFS, CHEMICALS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition Reason:
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ISecure: 1
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Litigation History:
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Review Exemptions: n/a
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Review Release Event: n/a
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TAGS: ETRD, CA, US, MTN
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/4e9a07ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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